

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:	)	
	)	Case No. 16bk15403
CHICAGOLAND'S MEDICAL	)	
SERVICES ORGANIZATION	)	Chapter 7
	)	
Debtor.	)	Honorable Timothy A. Barnes
	)	

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER  
AWARDING TO BALDI BERG, LTD., ATTORNEYS FOR TRUSTEE, FOR  
ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES

TOTAL FEES REQUESTED:	\$ 21,527.50	TOTAL COSTS REQUESTED:	\$ 336.00
TOTAL FEES REDUCED:	\$ 1,477.00	TOTAL COSTS REDUCED:	\$ 0.00
TOTAL FEES ALLOWED:	\$ 20,050.50	TOTAL COSTS ALLOWED:	\$ 336.00

**TOTAL FEES AND COSTS ALLOWED: \$ 20,050.50**

The attached time and expense entries have been underlined to reflect disallowance in whole or in part. The basis for each disallowance is reflected by numerical notations that appear on the left of each underlined entry. The numerical notations correspond to the enumerated paragraphs below.

**(1) Lumping – TOTAL of disallowed amounts (10% of affected entries): \$ 477.00**

The Court may impose a ten percent penalty on entries that appear to be “lumping.” The Court will reduce each entry marked as such per the penalty. *In re Wildman*, 72 B.R. 700, 709 (Bankr. N.D. Ill. 1987) (Schmetterer, J.) (“Applicants may not circumvent the minimum time requirement or any of the requirements of detail by “lumping” a bunch of activities into a single entry. [citation omitted]. Each type of service should be listed with the corresponding specific time allotment.”).


**(2) Improper Time Increments for Billing – TOTAL of disallowed amounts: \$ 1,000.00**

The court may impose a ten percent penalty for using improper time increments for billing. “Professional persons . . . cannot, in all honesty and reasonableness, charge their clients for increments in excess of one-tenth of an hour.” *In re Wildman*, 72 B.R. 700, 726 (Bankr. N.D. Ill. 1987) (Schmetterer, J.). This penalty will be imposed where time increments larger than one-tenth of an hour are being used. For example, applicants who bill time using quarter-hour increments risk the ten percent penalty.

Counsel in this district have a habit of charging an hour for all court appearances, regardless of the actual time the hearing took. Such practice will be reduced for improper time increments.

NOTE: The majority of the Trustee's time entries were in 0.5 hour time increments. While the court understands the complexities of time keeping, where such applications in the future appear to be done in the same increments, the court will reduce all time entries that appear to be in 0.5 hour time increments.

Dated: August 23, 2017



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Timothy A. Barnes  
United States Bankruptcy Judge

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**In Reference to:** *Chicagoland Medical Services - Gen. Admin*

**Professional Services**

Date	Staff	Description	Hours	Charges
6/20/2016	JAB	Review contracts, lawsuit by Progress to prepare for meeting, analyze position of parties re same.	3.00 \$450.00/ hr	\$1,350.00
6/27/2016	JAB	Analyze settlement proposals, review settlement proposals made to debtor prior to conversion, prepare term sheet for discussion re same with Progress. (1.0) Review settlement proposals by CCAI, prepare terms sheet to negotiate with CCAI. (1.0)	2.00 \$450.00/ hr	\$900.00
6/28/2016	ECB	Confer with JAB re results of morning hearing and negotiations	0.20 \$325.00/ hr	\$65.00
7/22/2016 (1) Lumping	JAB	TC with landlord attorney re post petition rent, terms for auction on premises, timing of lease termination. TC with property manager re same.	1.00 \$450.00/ hr	\$450.00
7/27/2016	JAB	Confer with J Loper re motion to sell personal property, terms re same. Email with terms.	0.50 \$450.00/ hr	\$225.00
7/27/2016	JDL	Commence drafting motion to sell equipment.	1.50 \$275.00/ hr	\$412.50
7/28/2016	JDL	Commence drafting motion to sell equipment, employ auctioneer.	0.80 \$275.00/ hr	\$220.00
8/01/2016 (1) Lumping	JAB	Review lease, review notes re discussions on settlement of lease issues. Draft letter agreement with landlord re same. Review and revise letter agreement. Forward to landlord counsel for review.	3.00 \$450.00/ hr	\$1,350.00
8/02/2016 (1) Lumping	JAB	Review and revise notice to creditors re sale of personal property. Review schedules, review sale terms. Confer	1.00 \$450.00/ hr	\$450.00

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with JDL re follow up.

(1) Lumping	8/02/2016	JAB	Review landlord attorney markup of letter agreement. TC with A Glass re same, discuss issues and resolution of same. Revise Letter Agreement and forward to attorney re review.	1.50 \$450.00/ hr	\$675.00
	8/02/2016	JDL	Continue drafting motion to sell equipment, employ auctioneer, pay landlord (1.1) Draft 2002 Notice re: same (.7) Draft proposed order re: same (.5) Review American Auction bond information (.3)	2.60 \$275.00/ hr	\$715.00
(1) Lumping	8/03/2016	JAB	Review emails with landlords attorney re agreement re auction, respond to same. Agree on wording of agreement. Review and revise agreement to conform to agreed terms.	1.00 \$450.00/ hr	\$450.00
	8/04/2016	JAB	Review and revise landlord agreement to incorporate negotiated changes. Email to landlord's attorney forwarding revised agreement	0.60 \$450.00/ hr	\$270.00
	8/04/2016	JDL	Make final revisions to motion to sell equipment, employ auctioneer, pay landlord (1.3) Email revised affidavit to auctioneer (.1)	1.40 \$275.00/ hr	\$385.00
	8/06/2016	JAB	Review file, draft agreed order for data with HOI. Email same to HOI attorney.	1.00 \$450.00/ hr	\$450.00
	8/16/2016	JAB	Review claims, review Raxity secured claim, email to debtor re same. (.5) Review Progress complaint (.4) TC with J Dan re dismissal of same. (.3) TC with S Rosenfeld, agree to dismiss (.3)	1.50 \$450.00/ hr	\$675.00
(2) Incorrect Time Increments	8/17/2016	JDL	Appear on status for Progress Health adversary (Barnes call heard by Judge Doyle)	1.00 \$275.00/ hr	\$275.00

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8/18/2016	JAB	Research on common law liens, labor and storage lien and computer data as chattels regarding Raxity claim.	2.00 \$450.00/ hr	\$900.00
8/19/2016	JAB	Further research, draft email to Raxity attorney re issues with claim of security interest, objection to same. (2.0)	2.00 \$450.00/ hr	\$900.00
8/22/2016	JAB	Review and respond to emails re Raxity claim and resolution of same. (.3) TC with HOI attorney re outstanding issue re bonus payments. (.3) Review agreement, review notes re BCBS discussions re payments (1.0), email to attorney re estate position on bonus, timing and calculation. (.7)	2.30 \$450.00/ hr	\$1,035.00
8/23/2016	JAB	Prepare for and attend hearing on sale motion, motion to allow administrative expenses (.6) Review proposed order, email to Raxity attorney re revisions (.5)	1.10 \$450.00/ hr	\$495.00
8/25/2016	JDL	Cf w/ JAB re: status of motion to pay bank on secured claim.	0.10 \$275.00/ hr	\$27.50
8/30/2016	JAB	Review and follow up on Lake Forest claim, email to C Stahl re same. (.5) Confer with JDL re filing motion to pay. (.3) Review status of suit in Circuit Court vs Raxity. TC to Welch re same. TC to Nixon Peabody re same and TC to Raxity attorney re non suit. (.7)	1.50 \$450.00/ hr	\$675.00
8/30/2016	JDL	Draft motion to pay secured claim - Lake Forest Bank	1.80 \$275.00/ hr	\$495.00
9/01/2016	JAB	Review motion to pay bank, review proof of claim, review code sections regarding payment. (.5) Revise motion and confer with JDL re same. ()	1.50 \$450.00/ hr	\$675.00
9/01/2016	JDL	Finalize motion to pay secured claim (Bank).	0.90 \$275.00/ hr	\$247.50
9/06/2016	JAB	Prepare for and attend hearing on Mtn to Pay Secured Claim (Barnes)	1.00 \$450.00/ hr	\$450.00

(2) Improper  
Time Increments

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9/15/2016	JAB	Prepare and forward email to HOI and IPA re payment of bonus payments.	0.50 \$450.00/ hr	\$225.00
9/19/2016	JAB	Review pleadings regarding Raxity violation of stay. Review payments to Raxity, possible preference issues. (1.0) Email to Welch and Morse re same.	1.00 \$450.00/ hr	\$450.00
9/22/2016	RKP	Review report of sale provided by auctioneer (.2); review order authorizing employment of auctioneer for terms (.1); phone conversation with Trustee re: same (.3); review email from J. Baldi re: revised report from auctioneer (.1); phone conversation with J. Baldi re: preparation of motion to pay expenses (.1)	0.80 \$195.00/ hr	\$156.00
9/26/2016	JAB	Review revised report of sale from American Auction, forward to RKP to include in court filing. (.4) Review and revise motion to pay expenses. (.6)	1.00 \$450.00/ hr	\$450.00
9/27/2016	RKP	Draft Report of Sale (.6); draft motion to pay auction expenses (1.0); draft 2002 notice to creditors (.4); draft Rule 2016 affidavit (.2); draft proposed order (.1); review and edit same (.3); prepare Report of sale and motion to pay auction expense for filing and service to creditors (.4)	2.50 \$195.00/ hr	\$487.50
9/28/2016	RKP	Prepare certificate of service for 2002 notice to creditors of motion to pay auction expenses	0.20 \$195.00/ hr	\$39.00
10/18/2016	JDL	Appear in court on Trustee's motion to pay Auctioneer administrative expenses and Raxity motions re: stay violation.	1.00 \$275.00/ hr	\$275.00
12/20/2016	JAB	TC with attorney for insurance company re time for making claim. Review email re same and letter denying coverage. TC to M Childress re review of policy and claim made.	0.60 \$450.00/ hr	\$270.00

(1) Lumping

(2) Improper time increments

(1) Lumping

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12/27/2016	JAB	Review insurance claim denial letters, policy documents. TC to M Childress re review of same. Assemble and forward document for review.	1.00 \$450.00/ hr	\$450.00
(1) Lumping				
1/16/2017	JAB	Review status of claim against Raxity, review possible preference claim. Email to Welch re same.	0.50 \$450.00/ hr	\$225.00
(1) Lumping				
3/01/2017	JAB	Research on involuntary dissolution of corporation or LLC, effect on claims. (1.0) Email to special counsel re same. (.3)	1.30 \$450.00/ hr	\$585.00
7/30/2017	RKP	Review case file for information needed to prepare 1st interim fee application (1.0); review time detail in advance of preparation of fee application (.5); begin draft of first interim application (1.0)	2.50 \$195.00/ hr	\$487.50
7/31/2017	RKP	Further draft BB fee application	4.00 \$195.00/ hr	\$780.00
Total Fees				\$20,097.50

**Expenses**

Start Date	Description	Quantity	Charges
6/28/2016	USPS fee to have mail forwarded to our firm address	1.00 @ /each	\$0.00
8/02/2016	Notice to Sell Property, Pay Landlord and Employ American Auction (59 notices x \$.10/pg = \$5.90)	1.00 @ /each	\$0.00
8/02/2016	Notice to Sell Property, Pay Landlord and Employ American Auction sent to 59 creditors x \$.465 = \$27.44)	1.00 @ /each	\$0.00
8/04/2016	Motion to Sell Property, Pay Landlord and Employ American Auction Filing Fee	1.00 @ /each	\$0.00

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8/04/2016	Motion to sell Equipment under 363f - Filing Fee	1.00 @ /each	\$176.00
9/21/2016	Miscellaneous Expense - Service call to erase copier hard drives for sale	1.00 @ /each	\$160.00
Total Expenses			\$336.00
Total New Charges			\$20,433.50
Previous Balance			\$0.00
Balance Due			\$20,433.50

***Timekeeper Summary***

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
Elizabeth C Berg	0.20	\$325.00
Joseph A Baldi	33.40	\$450.00
Julia D Loper	11.10	\$275.00
Ricki K Podorovsky	10.00	\$195.00



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***Professional Services***

<u>Date</u>	<u>Staff</u>	<u>Description</u>	<u>Hours</u>	<u>Charges</u>
6/23/2016	JDL	Draft application to employ special counsel (Welch).	2.20 \$275.00/ hr	\$605.00
8/04/2016	RKP	Draft motion to employ accountants (.4); draft affidavit (.1); draft proposed order (.1); email to J. Baldi re: same (.1)	0.70 \$195.00/ hr	\$136.50
2/07/2017	JAB	TC with RKP re motion to retain accountant in CMSO (.2). Review (.1) and revise motion (.5), confer with RKP and JMM re follow up on service and filing of motion (.2).	1.00 \$450.00/ hr	\$450.00
2/07/2017	RKP	Amend motion to retain accountants (.1); amend affidavit (.1) and proposed order (.1)	0.30 \$195.00/ hr	\$58.50
2/14/2017	JAB	Appear on CMSO (Barnes)-motion to employ accountants	0.40 \$450.00/ hr	\$180.00

Total Fees \$1,430.00

Total New Charges \$1,430.00

Previous Balance \$0.00

Balance Due \$1,430.00

***Timekeeper Summary***

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
Joseph A Baldi	1.40	\$450.00
Julia D Loper	2.20	\$275.00
Ricki K Podorovsky	1.00	\$195.00